

COMMONWEALTH OF VIRGINIA
MEDICAL COSTS PEER REVIEW PROGRAM
1000 DMV DRIVE, RICHMOND VA 23220

OVERVIEW OF THE MEDICAL COSTS PEER REVIEW PROGRAM

Title 65.2 of the Virginia Workers' Compensation Act provides for a Medical Costs Peer Review Program. Initially enacted in 1980, the Peer Review Program is based on informal hearings before committees of physicians who are themselves active in providing treatment for injured workers.

Organization. The Peer Review Program is under the direction of a nine-member Statewide Coordinating Committee whose members are appointed by the legislature. The Statewide Coordinating Committee includes five physicians and a representative from each of the following groups: employers, employees, hospitals, and the insurance industry. Each physician member also serves as the chairman of the regional peer review committee in one of the five designated health systems areas in Virginia. Each regional committee has an additional four physician members who are appointed by the Statewide Coordinating Committee based on recommendations from the Medical Society of Virginia.

Jurisdiction. Virginia's Peer Review Program is specifically limited to physicians' services provided under an award from the Virginia Workers' Compensation Commission. Issues of the appropriateness, extent, and duration of treatment are all within the jurisdiction of the Peer Review Program for the purpose of determining acceptable costs. Decisions by the program on allowable cost are based on the standard of prevailing charges in the same community for similar treatment. The Commonwealth of Virginia does not have a fee schedule.

Exclusions. The Peer Review Program does not have jurisdiction to determine the causal connection between an accident and a particular medical condition, who should or should not be a treating physician, and whether a current course of treatment should or should not be continued. Furthermore, the Peer Review Program does not address hospital charges, chiropractic services, prescriptions, charges by physicians who are not licensed in Virginia, or physical therapy that is not provided by or under the direct supervision of a physician.

Applications for review. Peer Review may be requested by an employer, an insurer, a physician, or the Virginia Workers' Compensation Commission. Requests should be made on the application form approved by the Statewide Coordinating Committee. Applications must be complete and be accompanied by: (1) the bills for the contested charges; (2) supporting medical reports for the charges; (3) indication of amounts already paid; (4) documentation of attempts to resolve the contested issues; and (5) a list of specific contested charges (if these cannot fit on the form itself). The submission of independent medical examinations and audits detailing the disputed charges is strongly recommended.

Setting of cases. Once submitted, applications are reviewed for completeness and for consistency with Peer Review Program requirements. Additional materials may be requested at this time. Cases are then forwarded to the appropriate regional committee, with notification sent to all the parties. Cases are set by the regional committees on roughly a six-month basis, and notices of the hearing date and location are sent by certified mail to all parties. Continuances are only granted in exceptional circumstances.

Hearings. The hearings are informal, and involve a review of the written record, with or without oral comment by the parties. The parties may, if they wish, be accompanied by legal counsel. Decisions are made subsequent to the hearing by a majority of the regional committee, and a written decision is sent to the parties by certified mail. Appeals of committee decisions must be made in writing within thirty days to the Virginia Workers' Compensation Commission.

Inquiries. Questions and applications should be directed to: Medical Costs Peer Review Program, Virginia Workers' Compensation Commission, 1000 DMV Drive, Richmond VA 23220.

SUPPLEMENTARY INFORMATION ON MEDICAL TREATMENT

Medical treatment for Workers' Compensation cases. Employees in Virginia have the right to medical treatment for work-related injuries. No portion of the cost for treating a work-related injury may be billed to the employee. Injured workers are, however, required to submit to independent medical examinations, and may have their compensation benefits suspended if they refuse medical treatment.

Unlike many other states, Virginia has no fee schedule for medical treatment for workers' compensation, does not provide for administrative review of medical bills on a routine basis, and does not have a special governmental program for systematic utilization review. Instead, the Virginia Workers' Compensation Act provides control over medical treatment and costs through two major mechanisms: first, the designation of a treating physician who can provide and authorize treatment; and, second, review of disputes by the Virginia Workers' Compensation Commission and by the Medical Costs Peer Review Program.

The treating physician. The treating physician plays a key role in ensuring treatment that is appropriate but not excessive in extent, duration, or cost. There are four central rules regarding the treating physician.

1. The employer may require the injured worker to select a designated treating physician from among a list approved by the employer. That list must include at least three physicians.
2. The injured worker chooses the treating physician, either from the list ("panel") provided by the employer, or from any licensed physician of his or her choice if the employer has not provided a panel.
3. In emergency situations, the injured worker is not restricted to the treating physician or to selection of a physician from the employer's list. (However, if there is an authorized panel physician, the emergency treatment may not extend beyond the actual emergency.)
4. Once there is an established treating physician, this cannot be changed except: (a) on the agreement of the parties; (b) because of the withdrawal of the physician; or (c) under an order of the Virginia Workers' Compensation Commission.

Disputes. In Virginia, disputes about medical treatment may be handled in one of two ways.

1. First, an application may be made to the Workers' Compensation Commission. If the employer or insurer wishes to reduce charges, adjust treatment, or change the treating physician, application is made on VWC Form No. 5A (Employer's Application for Hearing). If the physician or the employee believes treatment provided is inadequate, the treating physician needs to be changed, or costs have not been appropriately paid, application must be made on VWC Form No. 5 (Claim for Benefits). If the issue can not be resolved informally, a hearing is held before a deputy commissioner in one of various locations throughout Virginia. The decision of the deputy commissioner may be appealed to the full Virginia Workers' Compensation Commission for review.
2. Second, if the charges involve physician services, an application may be made to the Medical Costs Peer Review Program. Application is made on VWC/PRP Form No. 50 (Request for Peer Review). The case is referred and heard before a committee of physicians in one of Virginia's five health systems areas. The hearing itself is informal in nature, but results in a formal written opinion. The decision of the Peer Review Committee can also be appealed to the full Virginia Workers' Compensation Commission for review.

VWC/PRP Form No. 51 (rev. 2/1/92)